NEWS FROM WASHINGTON.

IMPORTANT PROCEEDINGS OF CONGRESS.

Debate in the House on the Finances of the Nation.

Passage of the Treasury Note Bill by a Vote of Ninetythree to Fifty-four.

he Legal Tender Clause Retained.

Debate in the Senate on the Govern ment Expenditures,

Proposed Retrenchment to the Amount of Thirty Millions of Dollars.

Test Vote on the Bill Reducing the Pay of Soldiers, Sailors and Civilians.

The Bill Virtually Passed by the Senate.

Reduction of the Mileage of Congressmen.

PROGRESS OF THE WORK ON THE TAX BILL.

Important Notice to Holders of Government Bonds,

ASSAGE OF THE TREASURY NOTE BILL. WITH THE LEGAL TENDER CLAUSE, BY THE HOUSE.

ast Congress has acted, and the legal tender Treaertook to worry out the supporters of it by amendment and a long session, but the friends of the measure had stice of the fact that the Treasury was empty and mus dence. A test vote, at about four e'clock, was decisive in favor of the legal tender. A motion to strike out the legal tender clause obtained only fifty-four votes in favor and ninety-three against it. After a severe struggle the House, at about half-past five o'clock, reached a vote of the main question, and the bill passed by ninety-three

There is great rejoicing in the city to-night among the bankers and merchants from the principal cities of th

statement sent to the country yesterday that th mittee of Ways and Means have prepared draft of the new Tax bill, for the private use of fore the bill will be matured, is another mistake, as I am

PATMENT OF INTEREST ON GOVERNMENT BONDS. The order of Secretary Chase directing the payment of the coupons of the 19th of August, 7 30-100 bonds in New York, will be so far modified as to make them payable also by the Treasurer of the United States at Wash ington, and by the Assistant Treasurers at Boston and elphia. The Secretary desires to afford every facility to the holders of the bonds compatible with the full security against fraud and counterfeiting. This security is thought to be as important to the holders as

SCARCITY OF SMALL COIN AT WASHINGTON. Small coin continues scarce for business transactions In order to preclude the flood of small notes from a dis of Washington to issue notes of less denomination than in current bank notes at par in Washington, or in United States Treasury notes.

The President has approved the bill authorizing the retary of the Interior to strike from the pension rolls take up arms against the government of the United States, or who have in any manner encouraged the o have not taken this extreme step have openly athized with the rebels and drawn their pensions pensioners receiving money from the govern

me difference of opinion has arisen in Congress upor the question of the status of troops raised in some of the border States for the defence of the Union. The question has been settled in regard to Kentucky by a provision in the bill for the defence of Washington and other pur-poses. The question of the troops of Missouri and Mary-land has been made the subject of a committee of conment, providing that troops shall not be raised in those States for service limited to the States, excepting sand in Missouri and forty-five hundred in Mary land. The committee consisted of Messrs, Wilson, Hen as and John Hickman, of the House.

APPOINTMENTS CONFIRMED BY THE SENATE. The following confirmations were made by the Sens to-day:—Arch. McIntyre, Treasurer of Mint at Philadel-phia; Isaac O. Hunt and John S. Hogeboom, Appraisers, York; Charles H. Eldridge, Geo. E. Thornton, Geo Plunkett, Edward Foster and Geo, Lawrence, Paymaster ly, A. J. Clark, George Cochran, Thomas T. Caswell min F. Camp, H. M. Denniston, R. H. Douglas, Clif Pritchard, R. J. Richardson, J. A. Smith, L. S. Stockwell, George A. Sawyer, W. H. Thompson, Elchard Washington

NO ENEMY MEAR GENERAL M'CALL'S LINES. Philadelphia paper, that there is a large body of the enemy encamped near his picket lines. A troop of scoutace of the whole length of the picket lines, and

OUR RELATIONS WITH MEXICO. The Sepate Committee on Foreign Affairs are busily mued upon Mexican matters. A special meeting of the see will be held on the subject to-morro

General Fitzjohn Porter, having been summoned on im-ortant business to New York, his division is at present mand of General Morell, of the Second brigade

setts regiment, will be appointed Lieutenant Colonel, to fill the vacancy caused by the recent decease of Lieute in the Ninth.

Captain Mott, whose illness and temporary withdrawa from his battery I mentioned a few days since, returned to-day, restored in health.

THE CAVALRY SERVICE.

General Cooke is working hard to make the cavalry under his command efficient in every respect. Twice a week the cavalry here are required to drill in squadron, regiment and brigade drills.

Lieutenant Benjamin T. Hutchins, by the promotion o David McM. Gregg, becomes comm of Sixth United States cavalry.

Private Railton B. Stalker, of Company A, Nineteenth New York Volunteers, was convicted on a charge of desertion by a Court Martial, January 15, and his sentence has just been promulgated. He is to be dishonorably dis charged from the service of the United States, and the committed to the United States penitentiary in the Disyears and six months. An impression existed in the minds of some that this regiment was held only for three months' service, and the prisoner, with others, governed himself accordingly and deserted the service. The order in this case shows that the Nineteenth New York regiment is subject to service until April, 1863, and

concludes in the following words:—

Nothing could be more calculated to demoralize a military body than such conduct as the accused stands convicted of. When a soldier wishes to lay before the Major General commanding any grievance under which he imagines that he labors, let him, through the proper channels, make known his complaint. To all well founded complaints an attentive ear will be given, and no known abuse will be allowed to remain unredressed. The same considerations which make the Major General Commanding anxious to aid any subordinate, who, in a proper manner, seeks a redress of wrong, render him determined to vindicate by all due means the sacredness of military discipline. In both cases he aims at promoting the good of the service. He has gone at great length into the explanation of this case, because it was necessary to correct misapprehensions widely spread and likely to do great mischief. No one in a similar position with the prisoner will, after the publication of this order, he able to plead ignorance to excuse his insubordination. The proceedings of the Court Martial in the case of private Railton B. Stalker are confirmed. The prisoner will be dishonorably discharged from the service of the United States, will be conducted to Washington City, under charge of a guard, and will there be delivered, with a copy of this order, to the Warden of the penitentary of the District of Columbia. oncludes in the following words:-

SALE OF THE ALEXANDRIA RAILROAD. he will sell at public auction, in Alexandria, the fran chises and property of the Alexandria Railroad Company on the 10th day of April next, in default of the payment of interest on the company's bonds.

GAYETIES OF THE CAPITAL. Speaker Grow had a splendid reception at his residence to-night, Mrs. General Fremont being among the distin

A fashionable hop came off to-night in the old church in F street, near the corner of Fourteenth street, where the Peace Convention was held. The hotel hops are very good here when managed by the guests.

PROCEEDINGS OF CONGRESS.

THIRTY-SEVENTH CONGRESS.

Washington, Feb. 6, 1862.
The Senate met at twelve o'clock, but at this hour not a ingle Senator was in the chamber, and very few person were in the galleries.

A few minutes afterwards three Senators came in, an

the Chair called the Senate to order.

Mr. Howard, (rep.) of Mich, presented resolution from the Legislature of Michigan, asking a grant of lands to endow a military school. Mr. King, (rep.) of N. Y., presented several petition

asking that 300,000 copies of the Agricultural Report be printed in the German language...

emancipation of slaves.

Mr. Chandler, (rep.) of Mich., presented a memo from the merchants of New York that the salary fees and perquisites of the Naval Officer and Surveyor the Port might be reduced.

Mr. Carlille, (Union) of Va., presented a petition, merously signed by citizens of Boston, Massachus asking Congress to leave the negro question alone and tend to the business of the country.

Suppression of THE LAQUOR TRAFFIC.

Mr. Harris, (rep.) of N. Y., presented petitions aga the sale of liquor to officers and soldiers of the army.

SMALL NOTES IN WASHINGTON.

Mr. GRIMES, (rep.) of lowa, introduced a bill to allow the Corporation of Washington to issue small notes. Re-

ETHENCHMENT IN THE GOVERNMENT EXPENDITURE—REDUC-TION OF THE PAY OF SOLDERS, RAILORS AND CIVILANS— MILEAGE OF CONGRESSEEN CUT DOWN, ETC., ETC. The bill to define the pay and emoluments of officers of

the army was taken up. It is as follows:—

Be it enacted by the Senete and House of Representatives of the United States of America in Congress assembled.

That officers of the army having brevet commissions shall not be entitled to any increase of pay or emoluments because of the exercise of command according to their trevet rank. SECTIOS 2. And be it justless enacted, That officers of the army entitled to forage for horses shall not be allowed to commute it, but shall draw the allowance in kind for each increa actually kept by them as authorized by law.

SEC. 3. And be it justless enacted, That major generals shall be entitled to draw forage in kind for four horses; brigadier generals for three horses; colonels, leutenant colonels, and majors, two horses each; captains and licutenants of cavalry and artillery for two horses each; and enaplains for one horse.

nels, and majors, two horses each; captains and lieutenant colorarily and artillery for two horses each; and chaplains of cavalry and artillery for two horses each; and chaplains for one horse.

Sec. 4. And be it further enacted, That whenever an officer of the army shall employ a soldier as his servant, he shall, for each and every month during which said soldier shall be on employed, deduct from his own monthly pay the full amount paid to or expended by the government per month on account of said soldier; and every officer of the army who shall fail to make such deduction shall, on conviction before a general court martial, be cashiered.

Sec. 6. And be it further enacted, That the first section of the act approved August 6, 1861, increasing the pay of privates in the United States service, shall not be so construed, after the passage of this act, as to increase the emoluments of the commissioned officers of the army; and the eighth section of the act of 22d July, 1861, chapter 9, shall be so constructed as a give to quariermaster sergeants the same compensation as

o give to quartermaster sergeants the same compensation as o regimental comissors yes relative. That so much of the not proved 22d July, 1861, as authorizes each regiment of voint ers in the United States service to have twenty-four musters in the United States service to have twenty-four musters in the Band, and fixes the compensation of the leader of the band, be, and the same is hereby, repealed; and such sands shall be mustered out of the service within thirty days fifer the passage of this act.

SEC, 7. And be it father exacted, That each brigade in the olimiteer service shall have sixteen musicians as a band, to be selected from the regimental bands mustered out of service by this act, who shall receive the pay and allowances once provided by law for regimental bands, except the leader of the band, woo shall receive forty-five dollars per month only.

the band, who shall be it further enorted, That in lieu of the pre-sec. S. And be it further enorted, That in lieu of the pre-

he army or many of the Universe and a his own expense and accept for travel actually performed at his own expense and a consilience to orders.

SEC, 9. And be styrether exacted. That, during the continuance of the present rebedion, there shall be deducted from the compensation of all persons employed in the military, naval and civit service of the United States, except warrant officers and sailors in the navy, and non-commissioned officers and sailors in the navy, and non-commissioned officers, aussicians and privates in the army, ten per centum of the amount of their compensation.

SEC, 10, And be it justice; cuested, That in each of the permanent hospitals where the President may deem it necessery, he may appoint a chaptain, who shall receive the same compensation as is now allowed to post chaptains in the regular service.

gular service.

SEC. 11. And be it further emeded. That so much of section nine of chapter nine, approved July 22, 1861, and of section.

five accredited ministers belonging to said religious denomination.

SEC. 12. And be it further emeted. That so much of the fifth section of the act approved July 22. 1861, as allows forty cents per day for the use and risk of the horses of company omegas of eavalry, be, and the same is hereby, repealed.

Sec. 13. And be 8 further enected, That whenever an officer shall be put under arrest, except at remote military pens or stations, it shall be the duty of the officer by whose orders he har arrested to see that a copy of the charges on which he has been arrested and is to be tried shall be served upon him within eight days thereafter, and that he shall be brought to trial within ten days thereafter, unless the necessities of the service prevent such trial; and then he shall be brought to trial within thirty days after the expiration of the said ten anys. Provided, that if the copy of the charges be miserved upon the arrest shall upon the arrest shall

case; and provided, further, that the provisions of this section shall apply to all persons now under arrest and awaiting

Mr. Sierchan, (rep.) of Ohio, said that, although in favor of the bill, yet it did not go far enough. It did not reach the desired point. The great problem of this war is not a physical but a financial one. One year ago the President crept into the capital in disguise. Five hundred determined men could then have taken the capital and all the archives, and this capital might have physically, but we had scarcely any debt. Now the physically, but weak financially, and the question must the government. The delay in military movements for financial difficulties which it will be hard to surm I do not know the reasons for delay. They may be will have a grievous account to settle with his country will have a grievous account to settle with his countrying. While we have sat here the credit of the country has
been impaired, and we have taken no steps to maintain
the credit of the government. The Secretary of the
Treasury, in his recent annual report, states that for the
first quarter of the current fiscal year the receipts and
expenditures are ascertained; for the remaining threequarters they are estimated as follows:—For the first
quarters they are estimated as follows:—For the first
quarters they are ending June, 1862; the actual expenditures were \$96,239,733 09; for the second, third
and fourth quarters the estimated expenditures are
\$302,035,761, with additional appropriations, in the
nature of deficiences, of \$143,130,927, making a
total for this year of \$543,406,442; and we know
that this amount will be increased by various bills,
especially from the Military Committee. The
deficiency since the last session, in the war estimates
alone, is \$121,434,488. We are told also that the estimated expenditures for the year ending June 30, 1863,
are, for the Civil List, \$23,086,971; for the interior bepartment, \$4,102,962; for the War Department,
\$360,159,986; for the Navy Department, \$44,104,994; on
account of the Public Debt, \$360,159,330—making an aggregate of \$476,331,245. These estimates of the Secretary have been considerably enlarged by the Committee
of Ways and Means of the House; and they do not include
the bounty granted to soldiers if the war should cease,
nor the large sums for damages to private property,
or for property taken for public use. We cannot doubt
that the amount of appropriations necessary for the next
isseal year will not be less than \$550,000,000. We are so nen. I do not blame any one. We have also been delay the bounty granted to soldiers if the war should cease, nor the large sums for damages to private property, or for property taken for public use. We cannot doubt that the amount of appropriations necessary for the next iscal year will not be less than \$55,000,000. We are so much in the habit of dealing with large sums that we do not reflect how much these are in excess of the sums to which we have been accustomed. But our annual appropriations will now be four times the entire paper currency of the country, and six times the expenditure of any previous year of our government sme its foundation—more than Great Britain ever expended in her contest with Napoleon. When you wild to these sums the difficult amounts collected for State, county and city taxes—for the authorities which disbarse all the internal expenditure of the government, amounting to not less than \$150,000,000—we have an aggregate expenditure for one year of \$700,000,000 per annum! The population of the loyal States, including one-third of Virginia, is about 23,000,000 souls; this would be an expenditure of more than \$30 per head. The expenditure of Great Britain is but \$10 68 per head; her expenditure during the war with Napoleon, at the highest rate of taxation; so that we are called upon for an expenditure during the war with Napoleon at the highest rate of taxation; so that we are called upon for an expenditure oppose the war, for I would stake every species of property and the life of every marita his nation upon the prosecution of the war. Nor is it to affect the public credit, for the public credit, for the would stake every species of property and the life of every maritan his nation upon the prosecution of a new office, it is regarded rather in the light of a narrow parsimony, or as a disposition to restrain and cripple the administration in its efforte-to suppress the rebellion. In my judgment every bill should be tested by its effects on the finances. We have appropriated and spent as if we held the lamp of Aladjin or the purse of Fortuna our prosperity may be now checked by adversity for our possition is imancial, and not physical. We must at once, and without delay, adopt a liberal, broad financial system, which will enable us to meet the large demands upon the public Treasury. In my judyment, there proposition to the bullic Treasury. In my judyment, there proposition to the bullic Treasury. In my judyment, there proposition to public the public treasury. In my judyment, there proposition to public treasury. In my judyment, the public treasury is the property of a tax, other than dues on imports, to produce not less than \$150,000,000, to be levied as far as may be upon certain luxuries other than upon persons and property. Second—A careful revision of the laws regulating salaries and compensation, and a correction of the abuses growing out of existing laws for the purchase and transportation of property. Third—A rigid scrutiny of the disbursements of the public funds, and a prompt punishment of every officer who either takes himself, or permits others to take, money for services or property of which the government do not receive the benefit. It is not my purpose to discuss the subject of taxation; the constitution provides that all revenue bills shall originate in the House; in a few days we shall have the result of the definitely. I will only say now that we have ample resources of taxation. Under our present system the States rely mainly on direct taxes collected by annual assessment. The general government has relied upon duties on imported merchandise. The vast field of taxation which in European governments is the main reliance for revenue—taxes classed under the head of imposts, excise, indirect taxes of various kinds—have not been resorted to by us since the payment of the debt from the war with Great Ritian; and when we are now again compelled to resort to this mode of taxition, we find the people will not pay the house of the government momentation in the government men this proposition while the removal on the subject of the continue

they come to criticise these bills. [Mr. S. then explained the bill under consideration. It reduces the mileage to ten cents a mile, making a saving in that one item of over \$200,000. The bill is framed upon the supposition that the franking privilege would be abolishing the allowance for newspapers and stationery, reducing the pay of employes about twenty per cent and abolishing a number of supernumerary offices, and greatly reducing the entity of the suppose a change in the compensation of members of Congress. Upon this subject there was a difference of opinion in the committee. It was urged that the present compensation was not too high, as a member was compelled to leave his business, probably sacrifice it, and either bring his family here or be separated from them. If the salary was decreased it would tend to prevent poor men from coming to Congress and give a monopoly to rich men. But I will not repeat the argument, but simply say it is a question for the judyment of Congress. In my opinion, a more noble act could not be done than for Congress and the man and the subject to their own compensation, which must be applied to other officers of the government. If members of Congress would now voluntarily, either for the time or for all time, surrender twenty or twenty-five per cent of their pay, the act listelf would be equivalent to a victory. It would show a spirit of determination to prosecute the war, and to apply all the resources of the country to its prosecution; and I will heartly vote for such a proposition whenever it is offered. (Mr. 8. then explained the billy in relation to the army, which substitutes fixed salaries for the allowance of rations, &c.; changes the rate of milesge from ten cents to six: and retains officers gixty two years old who have served forty-five years, unless in exceptional cases; making a reduction of about fifteen per cent, saving from \$6.00,000 to \$10,000,000, on an army of 500,000; reducing the pay of chaplains to about \$1,000 a year. No change is proposed in the pay of s

by the old routes.

Mr. Posmor, (rep.) of Kansas, was perfectly willing to have his mileage reduced, but there was no direct mail route to some places. How could the mileage of the Senator from Tennessee or his own, for instance, be computed? He thought it better to have mileage computed by any safe and competent route for a Senator to travel.

computed? He thought it better to have mileage computed by any safe and competent route for a Senator to travel.

Mr. Susman modified his amendment so as to compute mileage by the most direct travelled route.

Mr. Cowan, trep.) of Pa., thought it would be better to abolish the whole system of mileage. He (Mr. Cowan) always considered it a sham by which a man got more than he was antitled. It would be better to abolish it, and provide that a disbursing officer should pay members their actual expenses and no more.

Mr. Parack, (opp.) of Md., said that mileage was no part of the original compensation of members of Congress. They used to be allowed only eight collars a day as their, salary and eight dollars a day while travelling.

Mr. Wisson, (rep.) of Mass., said to hoped the amendment would not be adopted. He (Mr. Wilson) was in favor, in the main, of the bills reported from the Committee on Compensation, &c.

Mr. Nissonn, (opp.) of Oregon, said that the most direct travelled route from the Pacific coast was not a safe one for a man to travel at all. His illustrious predecessor (Mr. Lane) when here as a delegate drew mileage to the amount of \$5,964, and then when Oregon was admitted, and he was elected Senator, he drew \$5,964 again as inflience for walking from the House of Representatives to the Senate. Yet he (Mr. Nesmith) thought that something was due to the members of the Pacific coast. He (Mr. Nesmith) brought his family at home. That was sometimes inconvenient, and, by the laws of Oregon, if a man was absent a year from his wife she was entitled to a divorce. (Laughter.) He was willing, however, to submit to anything, to any reduction, to enable the government to prosecute the war. They could take away all his salary if need be.

Mr. Sunner, (rep.) of Mass., thought the subject ought not to be considered in a military bill.

Mr. Doolffilk was in favor of finishing the abuse of mileage, and would finish it now. We ought to make the very litst reduction here in the expenses of the government by beginning wi

to meet the officers of the army when they come here to remonstrate against the reduction of their pay. Mr. Senkara again modified his amendment so as to read what he first offered. Mr. Hows, (rep.) of Wis., moved to atrike out the whole section. He thought the resources of the people sofficience.

sufficient.

Mr. Wirson said the people might have resources, but

believed the resources of the country were ample, but some scheme must be devised to raise a sufficient revenue. Great Britain, in times of peace, raised \$250,000,000.

Mr. Howe was opposed to the ninth section on the ground that employes of the government, if their salaries were not too high, ought not to be taxed any more than other persons. If their salaries were too high then they ought to be reduced for all time, not merely during the rebellion.

Mr. Simsons, (rep.) of R. I., contended that the resources of the country were abundantly able to support the expenditure. He had faith in the people, and they were able and willing to meet all expenses. We never resorted to any other branch of taxation except customs. The country was full of immense resources. If we would only borrow of our own country we would never be impoverished. He had no lidea of submitting the country had been very patriotic so far, but the main reliance was on the people, the masses of small means.

Mr. Wilson said he had an abundant faith in the resources of the country, but the government had not yet drawn on those resources.

Mr. Trainatt, (rep.) of Ill., said here was a bill correcting great abuses and saving \$15,000,000, carefully considered, and how was it met. By propositions to reduce twenty five per cent, and the questions of mileage and taxation, and told that Congress was to blame, if you want to raise money, tell the generals to go fore ward and give us victories. Has not the government had men and money, and did not God Almighty give such weather as never was vouchsafed before? Taxation is not what we want. We want strong arms and somebody to lead our armies and put the rebellion down. He hoped they would

Committee.
The Senate went into executive session,
Adjourned.

House of Representatives. PASSAGE OF THE TRANSCRY NOTE MILL.

The House went into Committee of the Whole on

Mr. KELLOGG, (rep.) of lil., said that in ordinary tim he might have some doubts of the unconstitutionality of sure, but in this extremity, when we are strug

We must stand by our integrity and by the onor of the nation, and W we are worthy of the name of people we shall be sustained. The exigencies of the times would never compel him (Kellogg) to vote for a bill which is in violation of the constitution, for when Conmaintain the constitution." He (Kellogg) argued that it was clearly within the power of Congress, under the constitution, to make the notes proposed a legal tender, and

breach of good faith. It would change substantially the condition and impair the obligation of contracts.

Mr. EDWARDS, (rep.) of N. H., opposed Mr. Morrill's substitute, and gave among other reasons for doing so that it exempted the government from receiving the notes in payment of foreign imports. This being th the bill reported from the Committee on Ways and Means it was based on the faith of the would farnish the means directly without looking to in-

Mr. SEDGWICK, (rep.) of N. Y., said they all agree fifty millions annually can be raised. They all agreed that hereafter the war should be carried on vigorously on difference between the amendments and this bill was, that the latter had the advantage of giving the notes cir. culation as money, while the former would cause them to

The CHAIRMAN announced that, by previous agreen

(Crics of "That's right,")

Mr. Spatemen, (rep.) of N. Y.—Leaving to the honorable gentleman from Pennsylvania the duty of closing the debate, I desire merely to say a few words— Mr. LOVEJOY, (rep.) of Ill., rose to a question of orde

If the debate had closed, the gentleman's remarks were not in order.

Mr. Spaning said-First, we all agree that taxatio in the various forms must be imposed to the amount of at least one hundred and fifty millions of dollars, on which to rest the credit of these notes and bonds-a sun afficient to pay the ordinary expenses of government of a peace footing, the interest on all the war debt, and a sinking fund to liquidate annually a portion of the prin-

Mr. Loverov (interrupting)-I understood the gentle can to say yesterday that we already had an acabout equal to the proposed issue. I want to ask him how he proposes to get the balance of what we need imme

Mr. Spaulding—I propose to show how we intend to pay that off. In the second place, we agree that here-after the war must be carried on principally upon the the sum raised from revenue by taxation and duties of imports, the amount of paper to be issued can only b respective plans of Mesers. Vallandigham, Conkling be issued as the legal tender bill proposed by the Com mittee of Ways and Means and supported by the Secre tary of the Treasury; third, the main difference between the several plans is, that the legal tender bill stamps th revergment, to circulate as a national currency the same nong all the people of the United States, whilst all the other plans proposed contemplate the issue of an interior currency, that will not, in my opinion, circulate as money ong the banks or the people, but will, on the contrary, be depreciated and are compelled to receive it from the governmen furnished. For myself, I prefer to issue the demand local sanction that can be given to them by the govern

This bill is a measure of necessity, not choice. No one would willingly issue paper currency, never redoemable sirable to depart from the circulating medium which, by the common consent of civilized nations, forms the stand ard of value. But it is not a fearful measure, and when rendered necessary by exigencies it ought to produce i alarm. Is the measure necessary? The late administra-tion left a debt of about \$100,000,000, and bequeather This compelled Congress, in extra session, to authorize ions were taken at seven-thirty per cent; fifty millions a four per cent; tifty millions were used in demand note payable in coin; leaving fifty millions undisposed of Before the banks bad paid much of the last loan they broke down under it, and suspended specie payment. They then contrived to pay this loan, not in coin, but in demand notes of the government, which kept them a par. But the last of that loan was paid yesterday, and on the same day the banks have refused to receive ther fifty millions the Secretary of the Treasury has been un able to negotiate. A small portion of it—about te debts; and all this has been used, and there is now i daed and thirty millions. The Secretary intended to use creditors in notes of seven-thirty. known, they immediately sunk to four per cent, and it have run down to ten per cent discount. But even it these could be used there would remain due about ninety millions, the payment of which is urgently demande The daily expenses of the government are now about two of Congress would take six hundred millions more hundred millions to be provided for. The grand question s, how can this large amount be raised? The Secretar. loan of about fifty millions, and has failed. Severa is to borrow on government bonds bearing an interest of six per cent, which it is known can only be effected by put ing the bonds into the market to the highest bidder. but a small sum were wanted it might probably be had at a small discount, but if sufficient to meet our wants up to next December, seven hundred millions, were forced into the market as it is wanted, I have no doubt they would sell as low as sixty per cent, as in the last war. And even then it would be found impos-sible to find payment in coin. A large part of it nust be accepted in the depreciated notes of paying banks; for I suppose no one expects the resump as this Congress must provide for appropriations to the added to these expenses. That would require four hun dred and twenty millions, added to the seven hundred millions before estimated, and the aggregate would be eleven hundred millions. The discount on that sum, a forty per cent, would be four hundred and forty millions

fix, say twenty five per cent, it would be two hundred and seventy-five millions. It would, therefore, require

at least bonds to the amount of thirteen hundred and fifty millions to produce sufficient currency to make eleven hundred million@and carry us to the end of the next fiscal

year. This sum is too frightful to be tolerated. Certain bankers have suggested that the immediate wants of the

per cent bonds, with a liberal margin, payable in one year gold in part, and the next payable in currency. The effect would be, that government would pay out to its creditors the depreciated notes of non-specie paying banks, and as there is no probability that the piedges could be redeemed when due, they would be thrown into to pay for them. The folly of this scheme nee clause, and make them redeemable for taxes and all public dues. But it is not proposed to make any provision for redeeming them in coin on demand. I do n such notes would circulate anywhere except at a ruinous discount. No notes not redeemable on demand, and not made a legal tender, have ever been kept at par. The knowledge that they were provided for by that they would surely be paid twenty years hence, would not sustain them. The Secretary of the Treasury in his report recommended a scheme to produce a uniform na tional currency and furnish a market for good icans. It profrom the government to the amount of government pledged with the Treasury for their security, an more notes should be issued than the par value of such bonds, and should be redeemed by the banks. As agencial system of banking, in ordinary times this plan might be very useful in regulating the currency, and b the bonds the government might command coin. But while the banks are in suspension it is not easy to see how it would relieve the government. If the notes were procured, it must be by accepting payment by the be better than the government's own notes. The security of the government is equal to that of the banks, and would give as much currency to the banks. I can see its advantage. They would have the whole benefit of the circulation, without interest, and at the same time would draw interest on the government bonds from the time they got the notes. It is very plain that if the United States issued those notes direct. they would have the benefit of the whole circul to the full amount of the circulation. This project, there fore, however desirable as a banking as many as would form the basis of their operations. Having, as I think, shown the impossibility of carrying by the bill, I will notice some of the objections urged against it. Is it constitutional? Mr. ceeded to sustain by arguments the constitu-tionality of the measure. In the course of his remarks he said:—Now it is for Congress to determine whether this bill is necessary to raise on I support armie and navies, to borrow money, and provide for the general welfare. It is for those who think that it is not necessary, useful and proper, for those purposes, to propose some better bill, and vote against this. If a majority support the bill, its constitutionality is eatablehed. The next question is, if constitutional, is it expedient? The necessity of the issue of these notes is admitted, but easy to perceive how notes, issued without being made immediately payable in specie, can be made any werse by making them a legal tender.

contracts, by making a debt payable in other money than that which existed at the time of the making of the contract, and on this ground that it is unconstitutional.

Mr. Stevens proceeded to show that this provision of the
bill would not tend to impair contracts, and that there in connection with contracts, contai stitution. Contracts, he said, are made, not only of depreciation of the currency from making these notes a legal tender, how do gentlemen expect that issuing the same amount of notes without the legal tender will ininto the currency less? It will take the same an and in the other at par. No instance can be given of a currency, not redeemable on demand in gold, that did not immediately depreciate; but if made a legal tender, and not a redundancy of it emitted, it will keep at par. Mr. Stevens quoted McCulloch in support of his argument on this head, contending from this, that during the suspension of specie payment by the banks, which would continue during the war, bank paper would greatly disappear bef par paper of the government. Having reviewed the proand Vallandigham, and commenting on their efficiency to meet the emergency, Mr. Stevens continued—I flatter myself that I have demonstrated, from reason and un-doubted authority, that these notes, made a legal tender, par, and pass in all transactions, great and small, in full value of their face. I will say, in conclusion, that unless this bill is to pass with the legal tender clause in, it will not be desirable to its friends or to the administraglad if we had the power which the British Parliament possesses, to resign our places on the Committee of Ways and Means, and leave it to those who oppose this bill to mature some other measure. So far as I am con-cerned, I shall be modest enough not to attempt any other scheme. The Committee of Ways and Means have abored anxiously, and to the best of our poor abilities We are not infallible-we do not come near it. given it our most anxious consideration, and have conadvise us. We have sought to harmonize conflicting views on the substitute which the majority of the committee have prepared, and we hope it pass. We believe that the credit of country will be sustained by it, that classes will be paid in money which all classes can and that we will confer no advantage on the capi over the poor laboring man. If the bill pass I shall hall

This is the whole argument, so far as expendencemed. It is contended that the bill we

disaster which could befall us.

Mr. CAMPBELL, (rep.) of Pa., said he was for the bull was the necessities of the government to put down the rebellion. He would not be controlled by very nice

it as the most auspicious measure of this Congress. If it should fail the result will be more deplorable than any

field's amendment, to strike from the bill that part which proposes to make the notes lawful money and a legal tender in payment of all debts public and private within the United States. debts public and private within the Chites Sassa.

Incidental debate was had, during which Mr. Moranti(rep.) of Vt., mentioned the fact that the pending bill, was
reported by only one-half of the Committee of Ways and
Means. The other four wished it to be understood that
they were as cordially united on their own project as the others were on theirs. The substitution proposed by him was not his particularly, but had been modified, in order to meet the views of those who had submitted amendments Mr. Hickmang, (rep.) of Pa., desired to have the bill re committed, with instructions to frame one with a clause driving back to their homes all depreciated bank notes. There should be no paper currency not easily and readily

convertible into gold and silver.

Mr. Roscoz L. Conklin, (rep.) of N. Y., viewed the bill as the commencement of a paper system which control plunge the country into an abyes from which there

would be no resussitation and resurrection.

Mr. Hoorse, (rep.) of Mass., briefly argued that to
strike out the legal tender clause would render the bill useless to the Treasury Department.

Mr. Crisfield's amendment was rejected-ayes, 63:

nays, 93.

Various amendments were rejected, when Mr. Horron, (rep.) of Ohio, offered Mr. Morrill's substitute, with Mr. Surveys presented a modification of the original

It was agreed that the committee should rise and re port these measures to the House.

In order to obvinte all difficulties in regard to the great number of amendments which were pending or about to be offered, it was agreed that the question should be narrowed down to a vote between the substitute of Mr. Hor-

on, agreed upon by one half of the Committee of Ways [CONTINUED ON EIGHTH PAGE.]